**THE BUSINESS PLAN**

The Business Plan is written after the product or service idea is created and before the venture begins operations. Have you ever tried to bake a care or put together a model airplane? These projects are easy if you have a recipe or instructions. However, without the instructions the results might not be what you had hoped. Starting a business, like baking a cake, is usually more successful when you have a recipe or a plan. A Business Plan is a summary of a company’s goals and objectives and its strategy for achieving them.

Refer to the sample business plans on missmcfarlen.wikispaces.com, use internet resources, refer to you Junior Achievement books (pg 16-63), and your Roles handout to assist you with your business plan.

THE STEPS TO WRITING A BUSINESS PLAN:

1. Every department should be involved in writing the Business Plan. Generally, each department works on their own section of the Business Plan.
2. After all the departments have had time to gather the necessary information to complete their section of the Business Plan, the Vice-Presidents must meet to go over all the plans to make sure all the information is correct and does not conflict with information and calculations from another department.
3. When the Business Plan is complete, it must be submitted to the first Board of Directors meeting for approval.

**Parts of a Business Plan**

**Section 1: Executive Summary** (To be completed by the President)

(WILL NOT BE ABLE TO FULLY COMPLETE UNTIL ALL OTHER SECTIONS HAVE BEEN COMPLETED)

* Describe you business concept. Be sure to include what industry sector you will be operating in (retail, manufacturing, wholesale, etc), the market you will service, and your competitive advantage.
* How will you differentiate your product or service from the competition
* What has your market research told you about the viability of the business?
* Who is involved in the venture? Briefly summarize your managements team’s expertise and credentials
* How much money are you seeking and for what purpose? (start-up costs)
* How much money have the founders invested in the business to date? How has the money been spent? (shares)
* Summarize your projected financial performance

**Section 2: Mission Statement and Goals** (to be completed as a team)

* State your mission statement and values
* State your product name and any logo
* State the company’s goals, and check that you have a concrete goal matched to various aspects of your mission statements, such that it is clear that you mean what you say. If you intent to be known for quality, then there should be a goal to measure quality
* Identify plans to donate profits

**Section 3: The Management Team**

* Have you included an organizational chart?
* How is on the management team?
* What is your teams background? What are their strengths and weaknesses?
* Are you reliable people?
* Why are you the best team to make this idea work?

**Section 4: The Product or Service**

* What is it you want to sell or make? Is it really needed? What makes you think the time is right for your product or service? How is it similar or different to other products potential customers may already have?
* Include a picture or drawing to illustrate the ideas.
* What are the benefits of buying your product or service? Does it do any harm to people or the environment? Does it do good things? Try to match the features of the product (shape, size, color, sound, function, etc.) with a specific benefit for the customer (faster, easier, etc.) (e.g. Out company’s candles are odorless (feature) so they won’t bother anymore with allergies (benefit).
* Will the product be produced in-house or by outsiders?

**Section 5: Marketing and Sales** (To be completed by Marketing & Sales)

* How needs your product or service? How old? Male or female? What educational level? What income? What occupation? What do they need it? How do you know?
* How will you attract customer? Will you use posters? The internet?
* Who are your five neatest direct competitors? What have you learned from their operations? From their advertising? What are their strengths and weaknesses? Why will people buy from you instead of your competition? How does their product or service differ from yours? What makes your product or service better?
* How will you promote your product or service? How much will your marketing strategy cost? Is it money well spent?
* How will your prices compare with the competition? How price-sensitive is your target market?
* What will you charge for your product or service? How did you come up with those numbers? Be prepared to defend your recommendation for the price chose, the total number of products to be sold and what it means to the bottom line if production can’t produce enough or customers refuse to pay at the price chosen
* How will you sell your product?
* How will you motivate your sales people?
* How will you train your sales people?

**Section 6: Production** (To be completed by Production)

* How will your product or service be made?
* What equipment do you need to get started? Where will you get them from?
* Will you make or buy the components necessary for the production of your product or service? Why?
* Will you make the product using an assembly line?
* Will you label and package the product?
* What quality control measure have you instituted? How will you keep product returns low?
* What kinds of problems might come up and what might you do to avoid them?
* Where will you get the materials to product your product or service? How much will they cost? Do you have alternative suppliers f one does not work out? What are the suppliers terms and conditions?
* When can you start producing your product or service? How long does it take to produce a unit or a set number of units of your product?
* What will you do if the demand for you products or services fluctuates?
* How will you keep track of inventory? Will this be computerized or manual?

**Section 7: Personnel and the Compensation Plan** (To be completed by Human Resources)

* What is the salary for the management team?
* What are the wages for production workers and sales people?
* How many people do you require for your business?
* What specific skills do these employees need to possess?
* How will you train your staff?
* How will you schedule your staff?
* What is your business’ policy for ongoing training of staff?
* Identify company norms

**Section 8: Information Technology** (To be completed by Information Technology)

* Can communication be improved across team members through e-mail, texting, blogs, etc? Do all members have access to this form of communication?
* Can e-mail, social media, or a website be used to reach customers?
* Can record keeping be simpler if all departments use electronic forms?
* Can technology be used to create business cards, ordering forms, etc.

**Section 9: Finance and Budget Forecast** (To be completed by Finance)

* How much money will you need to open your business (start-up costs)
* How will you obtain the required beginning capital (shares)
* How much money will you need to stay in business (operating costs)
* What type of accounting system will you use? Is it paper based or electronic spreadsheets?
* What charitable donations are appropriate and which prospective charities match the values and norms of the company?
* Projected sales?
* Projected income?

**Section 10: Health and Safety Plan** (To be completed by Health & Safety)

* What is needed to ensure that there is a safe environment for all members?
* Are there any environmental concerns for the company?
* Create an environment and safety plan
* How will employees be trained to follow the environment and safety plan?

**Section 11: Risks and Conclusions** (To be finished after other sections completed)

* What if the demand for your good/service decreases?
* What if the number of competitors increases?
* What risks do you face in producing your product or service?
* What risks do you face with the Marketing Plan you have outlined? What if your major ad campaign fails?
* What if your key employees quit?
* What if someone is not completing their tasks?
* What if you run out of cash? Where else would you go?
* What if your major supplier is no longer able to supply you? What other suppliers exist?